



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

January 11, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR OPTION TO RENEW - LEASE NO. 70586
MUSEUM OF NATURAL HISTORY - 4400 SEVILLE AVENUE, VERNON
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to exercise the five-year option to extend the term of the current lease with William A. Pistey and Marie-Louise Pistey (Landlord), for 16,038 gross square feet of industrial warehouse space located at 4400 Seville Avenue, Vernon, for use by the Museum of Natural History at the fixed annual rent of \$86,604. The rental costs are 100 percent net County cost.
2. Find that this lease is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The exercise of the renewal option will provide the Museum of Natural History continued use of warehouse space which is utilized for marine mammal research and collection storage. The facility is also available for tour by prospective donors and upon request for educational purposes. The facility is staffed by three permanent staff on a part-time basis.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
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Third District

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Fifth District

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with easy access to quality information and services that are both beneficial and responsive (Goal 1). The proposed exercise of the option to renew the lease term supports this goal with a centrally located storage and research facility for the Museum of Natural History as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed exercise of the option to renew the term for this split service lease will provide uninterrupted use of 16,038 square feet of warehouse space and 14 parking spaces at the base monthly rent of \$7,217, or \$86,604 annually. The base rent is not subject to adjustment during the term.

4400 SEVILLE AVENUE, VERNON	EXISTING LEASE	PROPOSED LEASE RENEWAL	CHANGE
Area (Square feet)	16,038	16,038	None
Term	03/01/1997 - 02/28/2005	03/01/2005 - 02/28/2010	+ five-years
Annual Rent	\$80,832, split service, net utilities*	\$86,604, split service, net utilities*	+\$5,772
Parking (included in rent)	14 off-street spaces	14 off-street spaces	None
Cancellation	After 36 months upon 180 days prior written notice	After 36 months upon 180 days prior written notice	None
Option to Renew	Two five-year options	One five-year option	One five-year option remains
Rental Adjustment	None	None	None

*County provides insurance, property taxes, interior maintenance, utilities, janitorial service and supplies.

Sufficient funding of the base rent and operational costs for the proposed renewal is included in the 2004-2005 budget for the Museum of Natural History.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed five-year renewal will provide uninterrupted use of 16,038 gross square feet of warehouse space and 14 parking spaces. The option extends the term under the same terms and conditions provided in the original lease which contains the following provisions:

- The building owner and County Counsel concur with the Board letter, when approved, will suffice to exercise the option to renew the term and no other documentation is necessary.
- The five-year renewal term will commence March 1, 2005, upon expiration of the original eight-year term;
- The current monthly rent will increase from \$6,736 to \$7,217 and remain fixed for the new five-year term;
- One option to renew the term for an additional five years remains.

The split service lease provides County responsibility for insurance, property taxes, interior maintenance, utilities, janitorial service and supplies. The Lessor will remain responsible for structural maintenance, concealed building systems, parking and landscaping.

The Department of Public Works has completed a seismic inspection of the facility and found it suitable for the County's continuing occupancy.

The Chief Administrative Office (CAO), Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any suitable sites in the surveyed area that could accommodate this space requirement. Staff has established that the rental range for similar industrial warehouse space is between \$5.40 and \$6.00 per square foot per year triple net. Thus, the base annual rental rate of \$5.40 modified gross for the proposed lease represents the lower range of the market for the area. Attachment B shows all County-owned or leased facilities in the proximity of the service area, and there are no County-owned or leased facilities available for this program.

LEGAL/NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section (b) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed exercise of the renewal option is in the best interests of the County and will provide the space necessary for the Museum of Natural History to continue program operations. In accordance with your Board policy on the housing of any County offices or activities, the Museum of Natural History concurs in the lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the Notice of Exercise of Option, two originals of the certified copies of the Minute Order and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:MM:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Museum of Natural History

**MUSEUM OF NATURAL HISTORY
4400 SEVILLE AVENUE, VERNON**

Asset Management Principles Compliance Form¹

1.	Occupancy		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ² The Museum occupies 100% of the facility under the current lease.		X	
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq.ft of space per person? ² The space is used for collection storage and mammal research conducted by three permanent staff on a part-time basis.			X
2.	Capital				
	A	Should this program be in leased space to maximize State/Federal funding?			X
	B	If not, is this a long term County program?			X
	C	Is it a substantial net County cost (NCC) program? 100% NCC	X		
	D	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?		X	
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? A building of only 16,038 square feet would not be cost effective to build and no other County space in that area exists at this time.		X	
3.	Portfolio Management				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" parking area.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? ² No, Landlord provides the cost of the basic structure, County pays insurance, property taxes, utilities, interior maintenance, janitorial service and supplies.		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98				

²If not, why not?

Attachment B

**MUSEUM OF NATURAL HISTORY
SPACE SEARCH-5 MILE RADIUS FROM 4400 SEVILLE AVENUE, VERNON**

LACO	FACILITY NAME	ADDRESS	GROSS SQUARE FEET	NET SQUARE FEET	OWNERSHIP	AVAILABL E SQUARE FEET
Y132	SHERIFF SCIENTIFIC SERVICES BUREAU LAB	2020 W. BEVERLY BLVD LOS ANGELES, 90057	34511	24105	OWNED	NONE
6481	MED CTR-BLDG 110 – CENTRAL FILES STORAGE	1711 GRIFFIN AVE LOS ANGELES 90031	10242	7693	OWNED	NONE
3989	MED CTR-BLDG CRAFTS SHOPS AND WAREHOUSE	1358 N. MISSION ROAD LOS ANGELES 90033	28371	26384	OWNED	NONE
Y798	MED CTR-OFFICE EQUIPMENT & SALVAGE WARHOUSE	1808 GRIFFIN AVE LOS ANGELES 90031	25114	24511	OWNED	NONE
0835	MED CTR-GENERAL HOSPITAL	1200 N. STATE STREET LOS ANGELES 90033	1494627	667170	FINANCED	NONE
Y803	MED CTR-GENERAL HOSPITAL MINI WAREHOUSE	1900 ZONAL AVE LOS ANGELES 90033	27864	19999	OWNED	NONE
5306	MED CTR-GENERAL LABORATORY BUILDING	1801 MARENGO ST LOS ANGELES 90033	24703	13578	OWNED	NONE
Y802	MED CTR-WOMENS HOSPITAL MINI WAREHOUSE	1240 N. MISSION RD LOS ANGELES 90033	5150	4967	OWNED	NONE
1646	PW CENTRAL YARD –CARPENTER'S BUILDING	1525 ALCAZAR ST LOS ANGELES 90033	2400	430	OWNED	NONE
2361	PW CENTRAL YAR-CONSTRUCTION & REPAIR SHOP	1525 ALCAZAR ST LOS ANGELES 90033	9316	6858	OWNED	NONE
3373	PW CENTRAL YAR-EQUIPMENT WAREHOUSE	1525 ALCAZAR ST LOS ANGELES 90033	9882	6564	OWNED	NONE
5458	PW CENTRAL YARD-MAIN WAREHOUSE	1537 ALCAZAR ST LOS ANGELES 90033	59594	53646	OWNED	NONE
2362	PW CENTRAL YARD-MAINTENANCE GROUP WAREHOUSE	1525 ALCAZAR ST LOS ANGELES 90033	10560	9498	OWNED	NONE
0034	PW CENTRAL YARD-OFFICE/ MATERIALS TESTING LAB	1537 ALCAZAR ST LOS ANGELES 90033	10400	9360	OWNED	NONE
2372	PW CENTRAL YARD-PAINT STORAGE	1525 ALCAZAR ST LOS ANGELES 90033	3772	3305	OWNED	NONE
A257	MED CTR-SUPPLIES WAREHOUSE/ MEDICAL RECORDS	2011 N. SOTO ST LOS ANGELES 90032	83665	75300	LEASED	NONE
X285	PW CENTRAL YARD-AUTO PARTS WAREHOUSE (Bldg-1)	2275 ALCAZAR ST LOS ANGELES 90033	8640	7776	OWNED	NONE
X287	PW CENTRAL YARD-STORAGE BLDG #3	2275 ALCAZAR ST LOS ANGELES 90033	8413	7572	OWNED	NONE
0953	BISCAILUZ-VISUAL AIDS WAREHOUSE (CLOSED)	1060 N. EASTERN AVE LOS ANGELES 90063	4393	3240	OWNED	NONE
A005	NAT HIST MUSEUM WAREHOUSE II	3005 S. GRAND AVE LOS ANGELES	10000	9500	LEASED	NONE
Y399	NAT HIST MUSEUM	2847 S. GRAND AVE LOS ANGELES 90007	36776	27099	OWNED	NONE
A912	PROBATION-PROPERTY & SUPPLY WAREHOUSE	4549 TELEGRAPH RD EAST LOS ANGELES	12590	9851	LEASED	NONE